



SEP 24 1990

Energy Resources
Conservation Board

640 Fifth Avenue SW
Calgary, Alberta
Canada T2P 3G4

Informational Letter

IL 90-12

TO: ALL OIL, GAS, AND PIPELINE OPERATORS

10 September 1990

STEAM DISTRIBUTION LINES

Steam distribution lines used in the recovery of hydrocarbons from a reservoir or oil sands deposit may be considered to form part of a "pressure piping system" under the Boilers and Pressure Vessels Act and may also be considered to be a "pipeline" under the Pipeline Act.

To accommodate this overlapping jurisdiction the Alberta Boilers Branch (ABB) and the Energy Resources Conservation Board (Board) have agreed on the following procedure which will satisfy their legislated requirements, will not be burdensome to the industry, and will delineate areas of responsibility. Pipelines built to accommodate both steam and produced fluids shall be included in the procedure. Essentially ABB will be responsible for the approval of design and construction, and the Board for landowner concerns and environmental considerations.

SCOPE

The procedures will apply to steam distribution lines used in the recovery of hydrocarbons from a reservoir or oil sands deposit, including pipelines intended to transport both steam and produced fluids, and to steam pipelines associated with experimental thermal schemes approved under the Oil Sands Conservation Act and Regulations except as exempted below.

The procedure will not apply to:

1. Steam pipelines associated with single well steam stimulation tests approved in accordance with Board Informational Letter IL 86-9.
2. Temporary steam lines used in conjunction with an approved Oil Sands Scheme.
3. Pipelines confined strictly within the boundaries of a steam generating plant, a satellite, or a battery, which are considered to form a pressure piping system as defined in the Boilers and Pressure Vessels Act. Steam manifolds and measuring facilities at multi-well satellites are included in this classification.
4. Steam pipelines of internal aggregate capacity less than 0.5 m³ which are not covered under exemptions 1 and 2.

Treatment of these exemptions is described after the Procedure.

A schematic of conditions governing the necessity for ABB design registration and ERCB permit application is attached as an Appendix.

PROCEDURE

1. Registration of Design

The design of steam and multiple-use lines on energy recovery projects shall satisfy the requirements of CSA Z183 Appendix G. The design shall be registered with ABB in accordance with section 7(2) of the Design, Construction and Installation of Boilers and Pressure Vessel Regulations, using Form CB-96.

2. Application Under the Pipeline Act for a Permit to Construct

The application required by Part 4 of the Pipeline Act shall be submitted to the Board in accordance with section 2(1) of the Pipeline Regulations on the prescribed Form PL100. The application shall contain a statement that the design has been registered with ABB. A copy of the Form CB-96 used for that purpose, complete with the registration number, shall be attached to the application.

While the Board will accept applications without the design registration statement in order to allow parallel processing of the applications, it will not issue a permit until it is satisfied that the design has been registered with ABB.

3. Processing of the Application to the Board

The Board will accept the design registered by ABB and will use the technical data provided on Form PL100 to maintain its records of all pipelines in the Province.

Otherwise the processing of the application will proceed in the usual way and if the application is satisfactory a permit will be issued.

4. Field Construction

Notice of field construction shall be provided to the Board in accordance with section 17 of the Pipeline Regulations. When approved construction is complete the Completion of Construction Declaration (Form CB-81) shall be completed and forwarded to ABB and to the pipeline owner.

5. Pressure Testing

To satisfy the requirements of section 19 of the Pipeline Act, the Board will accept the Statement of Compliance which forms part of Form CB-81. The pressure test requirements shall be those of CSA Z183 Appendix G. The Board's inspectors may require documentation of pressure testing.

6. Application Under the Pipeline Act for a Licence

The application required under Part 4 of the Pipeline Act shall be submitted to the Board in accordance with section 5 of the Pipeline Regulations.

7. Field Inspection

Construction may be subject to inspection, or construction quality control documentation may be subject to audit by ABB inspectors. Operations, environmental, and ground disturbance inspections may be carried out by Board inspectors.

8. Failure Investigation

For the purposes of this procedure a failure is defined as a condition where the pipeline is incapable of retaining the fluid being transported. A fluid release of a temporary nature caused by leakage at flanges, packing glands, and similar fittings, and which can be terminated by mechanical adjustments such as the tightening of bolts, is not considered a failure.

Failures of the pipeline must be reported immediately to the Board (section 36, Pipeline Act). A Board inspector may conduct an on-site inspection which will concentrate on the environmental aspects of any fluid loss. The Board may require additional information concerning spill containment and recovery procedures, and site rehabilitation [section 55(2) Pipeline Regulations]. In certain circumstances ABB and the Board may conduct a joint investigation.

A failure report as required by section 32(1) of the Boilers and Pressure Vessels Act shall be submitted to ABB. ABB will investigate the cause, determine the particulars of the failure, and inform the Board of the particulars. Either or both of the Board and ABB may take any necessary action.

If a failure causes the injury or death of any person, then representatives of the Department of Occupational Health and Safety will also investigate.

9. Changes to Registered Designs and Pipeline Licences

Changes to a registered design will be handled according to section 11 of the Design, Construction and Installation of Boilers and Pressure Vessels Regulations.

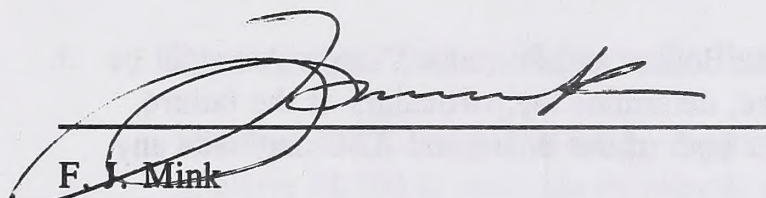
Amendments to a pipeline licence will be required only if the design changes lead to a change in the data recorded on the licence Form PL100 or the Board's maps.

TREATMENT OF EXEMPTIONS

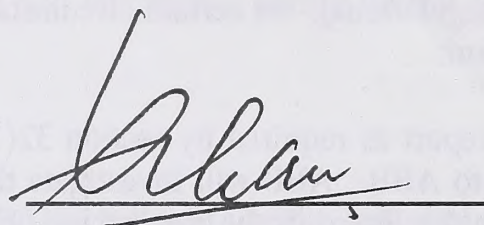
1. Steam distribution pipelines associated with a single well steam stimulation test approved under IL 86-9 will not require a permit under the Pipeline Act. For steam pipelines of capacity greater than 0.5 m³ the usual ABB registration procedure will apply.
2. Temporary steam distribution lines used in conjunction with an approved Oil Sands Scheme will not require a permit under the Pipeline Act. "Temporary" is defined as a period not exceeding 6 consecutive months. For steam pipelines of capacity greater than 0.5 m³ the usual ABB registration procedure will apply.

3. Steam piping confined strictly within the boundaries of a steam generating plant, satellite, battery, or well site, and steam manifolds and measuring facilities at multi-well satellites, are considered to form pressure piping systems as defined in the Boilers and Pressure Vessels Act and will not require a permit under the Pipeline Act. Only the usual ABB registration procedure will apply in those instances.
4. Steam pipelines of internal aggregate capacity less than 0.5 m^3 are exempted from the registration requirements of the Boilers and Pressure Vessels Act. There is no such exemption in the Pipeline Act and Regulations. For those pipelines which are not covered under exemptions 1 and 2 and which traverse land outside the boundaries of a plant, well site, satellite, or battery, the Board will require a permit application containing sufficient technical information to enable it to satisfy itself that the design will comply with the requirements of Appendix G of CSA Z183. Where mechanical couplings are used the application shall contain a statement that the coupling is registered with ABB.

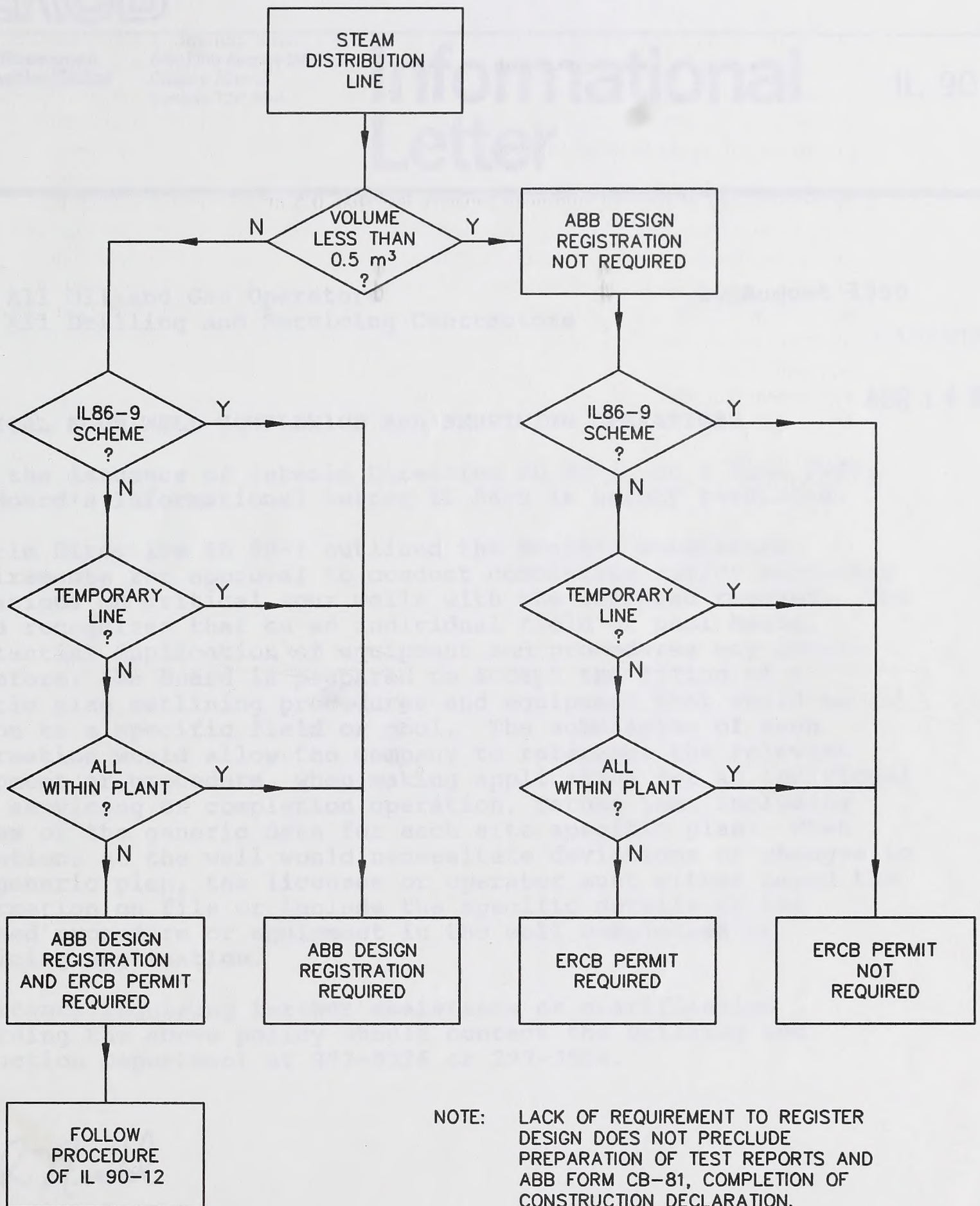
Questions with respect to the procedure may be directed to the Board's Pipeline Department at 297-8366 or Alberta Boilers Branch at 427-6855.



F. J. Mink
Board Member
Energy Resources Conservation Board



K. T. Lău
Acting Chief Inspector
Boilers Branch
Alberta Labour



NOTE: LACK OF REQUIREMENT TO REGISTER DESIGN DOES NOT PRECLUDE PREPARATION OF TEST REPORTS AND ABB FORM CB-81, COMPLETION OF CONSTRUCTION DECLARATION.

APPENDIX TO IL 90-12

CONDITIONS FOR REGISTRATION OF DESIGN AND PERMIT APPLICATION



Energy Resources
Conservation Board

640 Fifth Avenue SW
Calgary, Alberta
Canada T2P 3G4

Informational Letter

IL 90-13

TO: All Oil and Gas Operators
All Drilling and Servicing Contractors

10 August 1990

CANADIANA

AUG 14 1990

CRITICAL SOUR WELL COMPLETION AND SERVICING OPERATIONS

With the issuance of Interim Directive ID 90-1, on 1 June 1990, the Board's Informational Letter IL 84-9 is hereby rescinded.

Interim Directive ID 90-1 outlined the Board's submission requirements for approval to conduct completion and/or servicing operations on critical sour wells with the wellhead removed. The Board recognizes that on an individual field or pool basis, substantial duplication of equipment and procedures may occur. Therefore, the Board is prepared to accept the filing of a generic plan outlining procedures and equipment that would be common to a specific field or pool. The submission of such information would allow the company to reference the relevant equipment or procedure, when making application for an individual well servicing or completion operation, rather than including copies of the generic data for each site specific plan. When operations at the well would necessitate deviations or changes to the generic plan, the licensee or operator must either amend the information on file or include the specific details of the revised procedure or equipment in the well completion or servicing application.

Applicants requiring further assistance or clarification regarding the above policy should contact the Drilling and Production Department at 297-8326 or 297-3554.

J. R. Nichol, P.Eng.
Manager

Drilling and Production Department

Informational Letter

IL 90-13

10 August 1990

TO: All Oil and Gas Operators
All Drilling and Servicing Contractors

FROM: ERCB

AUG 14 1990

CRITICAL SOUR WELL COMPLETION AND SERVICING OPERATIONS

With the issuance of the new Directive 15-90-1, on 1 June 1990, the Board's Informational Letter IL 84-9 is hereby rescinded.

Information Directive 15-90-1 outlined the Board's intention to require the approval for completion and/or servicing operations on critical sour wells with the wellhead removed. The Board recognizes that on an individual field or pool basis, substantial duplication of equipment and procedures may occur. Therefore, the Board is prepared to accept the filing of a generic plan outlining procedures and equipment that would be common to a specific field or pool. The submission of such information would allow the company to reference the relevant equipment or procedures, when making application for an individual well servicing or completion operation, rather than including copies of the generic data for each site specific plan. When operations at the well would necessitate deviations or changes to the generic plan, the licensee or operator must either amend the information on file or include the specific details of the revised procedure or equipment in the well completion or servicing application.

Applicants requiring further assistance or clarification regarding the above policy should contact the Drilling and Production Department at 1-877-815-0333 or 397-1554.

[Signature]

A. A. Michel, P. Eng.

Manager
Drilling and Production Department

AUG 20 1990



Energy Resources
Conservation Board

640 Fifth Avenue SW
Calgary, Alberta
Canada T2P 3G4

Informational Letter

IL 90-14

TO: ALL OIL AND GAS OPERATORS
ALL DRILLING RIG CONTRACTORS

14 August 1990

NOTIFICATION TO TRANSPORT CANADA OF DRILLING OPERATIONS NEAR AERODROMES

As a result of concerns expressed by Transport Canada, the Energy Resources Conservation Board (ERCB) wishes to remind applicants of well licences for drilling operations near aerodromes of the need to provide notification in accordance with section 2.090 of the Oil and Gas Conservation Regulations. An applicant for a well licence is required to give notice as follows:

2.090 A person proposing to drill a well within 5 kilometres of a lighted aerodrome, or within 1.6 kilometres of an unlighted aerodrome shall, before applying for a well licence, advise the Regional Manager, Air Navigation Requirements, Transport Canada, Edmonton, Alberta, of the proposed well site, the height of the derrick to be used and the approximate dates between which drilling operations are expected to take place.

Attached is a form available from Transport Canada and the ERCB Well Licensing Section that outlines the information required by Transport Canada for its review of wells to be drilled near aerodromes. The Board recommends this form be used by all applicants when submitting notice to Transport Canada. It will facilitate the efficient processing and disposition of these notifications.

Any questions respecting this matter should be directed to the Board's Well Licensing Section at 297-8554.

A handwritten signature in cursive script, reading "J. R. Nichol".

J. R. Nichol, P.Eng.
Manager

Drilling and Production Department

Attachment

International Letter

14 August 1990

TO: ALL OIL AND GAS OPERATORS
AND DRILLING AND CONSTRUCTION

NOTIFICATION TO TRANSPORT CANADA OF DRILLING OPERATIONS NEAR AIRWAYS

As a result of concerns expressed by Transport Canada, the Energy Resources Conservation Board (ERCB) wishes to remind applicants of well licensees for drilling operations near airways of the need to provide notification in accordance with section 2.095 of the Oil and Gas Conservation Regulations. An applicant for a well license is required to give notice as follows:

2.095 A person proposing to drill a well within 5 kilometres of a lighted aerodrome, or within 1.6 kilometres of an unlighted aerodrome shall, before applying for a well license, advise the Regional Manager, Air Navigation Regulations, Transport Canada, Edmonton, Alberta, (Edmonton) the proposed well site, the height of the aerodrome to be used and the approximate dates between which drilling operations are expected to take place.

Attached is a form available from Transport Canada and the ERCB Well Licensee Section that outlines the information required by Transport Canada for its review of wells to be drilled near aerodromes. The Board recommends this form be used by all applicants when submitting notice to Transport Canada. It will facilitate the efficient processing and disposition of these notifications.

Any person requesting this form should contact the Well Licensee Section at 257-8234.

[Signature]

D. R. Nichol, P. Eng.

Drilling and Production Department

Attachment

TRANSPORT CANADA - WESTERN REGION

DRILLING RIG CLEARANCE FORM
(For ERCB Well Licence Application)

From:

Date: _____

File: _____

Telephone: _____

Fax: _____

To: Transport Canada
Air Navigation System Requirements
1100 - 9700 Jasper Ave.
Edmonton, Alta. T5J 4E6

File 5204-8
Telephone 403-495-3850
Fax 403-495-3880

Attention: Superintendent, Standards & Procedures

=====

REFERENCE:

DETAILS

Name of airport(s) within 5 km _____

Site LSD _____ or _____ N _____ W (Lat&Long)

Height of rig above ground level _____ ft or _____ m

Site ground elevation above sea level _____ ft or _____ m

Rig to be lighted ☐ Yes ☐ No Rig to be painted ☐ Yes ☐ No

Expected duration of rig on site: from _____ to _____

Copy of site survey plan attached ☐ Yes ☐ No

=====

(Transport Canada use only)

Aeronautical assessment - for ERCB requirement [ED1(a)-85-3 Pt 7]

This drilling site is acceptable as proposed ☐ Yes ☐ No

(if No - reasons or conditions required) _____

Regional Superintendent - Standards & Procedures

Date: _____



Energy Resources
Conservation Board

640 Fifth Avenue SW
Calgary, Alberta
Canada T2P 3G4

Informational Letter

IL 90-15

To: All Operators

23 August 1990

NEED FOR PROMPT AND ACCURATE FILING OF S-FORMS

The Board, in reviewing the operation of its Production, Injection & Disposition data systems, has determined that there are increasing problems with late filing and erroneous data being submitted on S-Forms. This increases the burden on ERCB staff to meet Department of Energy deadlines and to follow up with operators regarding late and/or incorrect reports. Another very adverse effect is the possible impact on the integrity of the ERCB data base which is used extensively by industry.

The Board would like to overcome these problems and asks that all operators review their internal systems and take corrective action as required. The need for prompt and accurate S-Forms, particularly with reference to the S-1, S-2, and S-18, is stressed and this situation will be monitored closely in the upcoming months.

As a long-term approach to help remove obstacles to timely and accurate reporting, the Board also plans to increase opportunities to clarify and communicate with industry regarding ERCB information needs. One aspect of this program will be to provide in the upcoming year appropriate seminars, presentations, etc, on topics relevant to industry reporting requirements. These will address problem areas, and will be advertised in advance and made available on an industry-wide basis.

Another aspect of this program will be to initiate and conduct S-Form reviews of operators who are mis-reporting required data. In this regard, specific ERCB/operator meetings will occur to resolve areas of reporting confusion and ensure that corrections and amendments to data are made.

Operators with questions regarding S-Form reporting requirements are encouraged to contact Mr. David Morris (297-2598) who will be co-ordinating this emphasis on liaison with industry. Incorrect and incomplete data exchange is a problem for all participants in the energy sector, and the Board wishes to stress that timely and accurate reporting results in mutually beneficial effects for both operators and related government agencies.

A handwritten signature in dark ink, appearing to read "E. J. Morin", is written over a horizontal line.

E. J. Morin
Board Member



Energy Resources
Conservation Board

640 Fifth Avenue SW
Calgary, Alberta
Canada T2P 3G4

Informational Letter

SEP 25 1990

IL 90-16

TO: All Oil, Gas, and Oil Sands Operators

21 September 1990

ERCB GUIDE G-10: GUIDE TO MINIMUM CASING DESIGN REQUIREMENTS

Following a review of its minimum casing design requirements, the Energy Resources Conservation Board has revised ERCB GUIDE G-10, Guide to Minimum Casing Design Requirements. Revisions to the guide include

- o adoption of the American Petroleum Institute (API) calculation method to determine reduced collapse resistance from axial loading,
- o recommendations regarding material selection for casing proposed for sour wells,
- o clarification of casing integrity requirements for wells completed with liners, and
- o other minor editorial revisions.

A copy of the revised guide is attached.

API Method

The ERCB has adopted the calculation presented in API Bulletin 5C3, Formulas and Calculations for Casing, Tubing, Drill Pipe and Line Pipe Properties, to update its method to determine the reduction in collapse resistance from axial loading. The API method accounts for a range of possible collapse modes and uses the readily available and more widely recognized steel property, the specified minimum yield strength.

The ERCB will utilize the new API method for future casing design checks and may update Guide G-15 at some future date to include the new calculation procedure. However, for the convenience of licensees not wishing to use the API procedure, it will continue to accept casing designs where Guide G-15 has been used to determine reduced collapse pressures. The method outlined in ERCB Guide G-15, Effect of Tensile Loading on Casing Collapse, assumes only a single collapse mode (plastic) and uses the unrecognized and generally unavailable steel property of average yield strength. Because Guide G-15 in its present form effects a more conservative design and because cost-effective computerized casing design programs using the new API calculation techniques are becoming more readily available, the ERCB sees little urgency to update Guide G-15.

Material Selection for Sour Wells

The ERCB wishes to encourage the proper material selection and use of casing for sour wells. Accordingly, reference is made in Guide G-10 to the National Association of Corrosion Engineers' standard NACE MR-01-75, Sulphide Stress Cracking Resistant Materials for Oilfield Equipment, and the Alberta Recommended Practices (ARPs), Volume 1, Drilling, and Volume 2, Completing and Servicing. While the ARPs were developed for critical sour wells, they contain information useful for the planning, drilling, completing, or servicing of any sour well.

Casing Integrity Requirements for Wells with Liners

Previous editions of Guide G-10 stated that "a liner completion (would) not be approved unless the collapse and burst resistance of the preceding string (met) the requirements for production casing." Recently, there has been some confusion regarding this requirement.

For wells equipped with a liner the ERCB expects licensees to qualify the intermediate and/or preceding casing string to production casing design requirements by means of a suitable casing integrity pressure test and/or the running of a casing inspection log. The tests may be conducted prior to the running and cementation of the liner, or prior to the completion of the well for testing and/or production. The objective of the tests is to ensure that the pressure integrity of the worn intermediate casing and liner would equal that of a new production casing string run to a similar depth. Accordingly, licensees are encouraged to account for expected drill pipe wear in their initial casing designs by way of reduced casing strengths or increased design factors. Contingency plans for a tie-back string should also be made. Further, licensees are reminded that the ERCB may at any time request the qualification of the casing integrity of intermediate and/or preceding casing strings and, if necessary, require that a liner be tied back to surface.

Licensees are requested to obtain liner design approvals from the ERCB Drilling and Production Department in Calgary.

If you have any questions regarding Guide G-10 please contact the Supervisor of the Drilling Section at 297-8186.



J. R. Nichol, P.Eng.
Manager

Drilling and Production Department

Informational Letter

IL 90-17

TO: All Oil and Gas Operators

5 September 1990

EMERGENCY PROCEDURE PLANS FOR SOUR GAS FACILITIES - BIENNIAL MEETINGS

Currently, under Interim Directive ID-OG-76-2, all operators are required to review, at least every 2 years, their emergency response procedures for sour gas facilities with the government and other agencies to ensure that all parties understand their responsibilities in the event of a sour gas release.

The Board, after some concerns expressed by the industry and its own staff, has decided to eliminate this review and replace it with the following requirements:

- 1) Once a year, the operator shall hold an internal exercise for each of its facilities that has an emergency procedure plan filed with the Board.
- 2) The emergency procedure plan must be reviewed at least annually by the operator and changes forwarded to the Board.
- 3) The operator shall ensure that the general public in the emergency planning zone are advised of the hazards and characteristics of hydrogen sulphide gas, the emergency response procedures, and safety measures employed by the operator.
- 4) When a new facility is constructed for which an emergency procedure plan is required, the operator shall hold a meeting with all government departments and other agencies at least 30 days before start-up to ensure that all parties understand their responsibilities in the event of a sour gas release. For this new facility, the operator shall have at least two more review meetings at least every 2 years.
- 5) For any major modification to existing facilities, the operator shall review its emergency procedure plan with all government departments and agencies before start-up of the modification.
- 6) The operator shall continue to communicate effectively on a regular basis with local levels of government regarding the relationship of its emergency procedure plan to the responsibility of the local authorities during sour gas release.

The Board will endeavour to audit an emergency procedure plan from each operator once every 2 years.

The Board will also select an operator to participate in an annual exercise. Other operators may be invited to observe the exercises. These exercises will involve the implementation of the Government of Alberta Emergency Response Plan for Sour Gas Release.

If you have any questions regarding this informational letter, please contact the Board's Environment Protection Department at 297-3185 or 297-3698.

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B. F. Bietz
Board Member



Energy Resources
Conservation Board

640 Fifth Avenue SW
Calgary, Alberta
Canada T2P 3G4

Informational Letter

IL 90-18

To: All Oil and Gas Operators
All Drilling Rig Contractors

17 September 1990

SAFETY HAZARD OPEN MOUSE/RAT HOLES AND CONDUCTOR PIPE

It has been brought to the attention of the ERCB and Alberta Occupational Health and Safety (AOHS) that mouse holes, rat holes, and conductor pipe are being left open and uncovered before well drilling operations commence. As well, many mouse holes and rat holes are left open after drilling operations are complete.

The ERCB and AOHS are concerned these holes may be a safety hazard to workers, members of the public, and to livestock. In view of this matter, operators and contractors are reminded to adequately cover the subject holes after they are drilled and to fill or plug them once the main drilling operation is complete.

Energy Resources
Conservation Board

Alberta Occupational Health
and Safety

A handwritten signature in black ink, appearing to read "W. G. Remmer".

W. G. Remmer
Manager
Field Operations

A handwritten signature in black ink, appearing to read "J. MacPherson".

J. MacPherson
A/Coordinator
Field Operations



Energy Resources
Conservation Board

640 Fifth Avenue SW
Calgary, Alberta
Canada T2P 3G4

Informational Letter

IL 90-19

TO: ALL OIL AND GAS OPERATORS

16 October 1990

PRODUCTION FACILITIES IDENTIFICATION AND SECURITY

With the number of production facilities steadily increasing each year throughout the province, together with an increasing trend of population encroachment into oil and gas producing areas, there are increasing concerns being expressed for the need for adequate identification and security of these facilities. These involve three basic aspects of security:

1. Facility Identification
2. Hazard Warnings
3. Security Fencing

As a result the Board will require all Oil and Gas Operators to provide identification, warning, and security fencing as described herein.

IDENTIFICATION AND WARNING SIGNS

To ensure the standardized use of symbols for dangerous or hazardous materials and to prohibit the use of misleading or inappropriate warning signs, the Board has made changes to the Oil and Gas Conservation Regulations regarding warning signs. Similar changes were incorporated in the latest revision of the Pipeline Regulations. These changes are effective immediately for all new facilities. Existing wells and facilities with nonconforming warning signs or without proper identification signs will be required to have the proper signs and/or symbols installed by 1 January 1992.

In addition to the warning sign amendments in the Oil and Gas conservation Regulations, the Board expects appropriate signs to be posted on or near equipment, warning of moving equipment hazards in compliance with section 52, subsection 5 of the General Safety Regulations of the Occupational Health and Safety Act.

REGULATION CHANGES

OIL AND GAS CONSERVATION AMENDMENT REGULATION

- 1 The Oil and Gas Conservation Regulations (Alta. Reg. 151/71) are amended by this Regulation.
- 2 Section 6.010(2) is repealed.

3 Section 6.020 is repealed and the following is substituted:

6.020(1) In this section, "facility" means any of the following:

- (a) oil and gas batteries;
- (b) battery compressor stations;
- (c) field dehydrators and separators;
- (d) gas processing plants;
- (e) water disposal or injection plants;
- (f) oil cleaning plants;
- (g) waste processing and disposal facilities;
- (h) LPG loading facilities;
- (i) truck and pipeline terminals.

(2) This section applies to all wells and facilities.

(3) The licensee of a well shall identify a well and the operator of a facility shall identify a facility by the use of a conspicuous sign erected at the primary entrance to the well or facility that indicates

- (a) the name and telephone number of the licensee or operator, and
- (b) the legal description of the surface location of the well or facility.

(4) Subsection (3) does not apply to a licensee of a well during drilling and initial completion operations.

(5) A licensee or operator shall maintain a sign that is erected pursuant to subsection (3) in a manner that is satisfactory to the Board.

(6) An operator who operates more than one facility at one location may erect one sign to identify all of the facilities at that location.

(7) A licensee who drills more than one well from one surface location shall identify the bottom hole location of each well on a sign affixed to the wellhead.

(8) The licensee of a well or the operator of a facility shall post one of the following categories of warning symbol:

- (a) Category I: Flammable (gas or liquid);
- (b) Category II: Poisonous Gas.

(9) A Category II warning symbol shall be used in the following cases:

- (a) where a facility handles or a well may produce gas containing .01 moles per kilomole of hydrogen sulphide or greater;
- (b) where the Board so directs;

and a Category I warning symbol shall be used in all other cases.

(10) Warning symbols must be of the size, design and colour shown in Schedule 12.

(11) Warning symbols shall be posted adjacent to all entrances to the developed area of wells and facilities or, for wells and facilities that have no access roads or developed areas, warning symbols shall be posted at the wellhead of facility.

(12) A warning symbol may be posted on a sign that is erected at the primary entrance to a well or facility pursuant to subsection (3).

(13) No licensee or operator may

- (a) post warning symbols if a hazard does not exist, or
- (b) post warning symbols that are not in compliance with this section and Schedule 12.

4 Section 7.070(2) is repealed.

5 Section 8.160 is amended by striking out "and" at the end of clause (c), adding "and" at the end of clause (d) and adding the following after clause (d):

- (e) erect identification signs and post warning symbols in accordance with section 6.020.

FENCING REQUIREMENTS – PUMPING WELLS

Over the past few years a number of serious accidents have occurred involving children playing on or near pumping wells. The Board is concerned that unrestricted access to such facilities represents an inordinate risk and has amended the fencing requirements for pumping wells as follows:

6 Section 8.180 is amended

(a) by repealing subsection (1) and substituting the following:

(1) The licensee of a well that is equipped with a pumping unit and located in or within 800 metres of the boundaries of a city, town, new town, village, summer village, hamlet or other incorporated centre, unrestricted country development, public facility, picnic area or campground shall enclose the well and pumping unit with a fence suitable for preventing access to or tampering with the well and pumping unit.

(b) by adding the following after subsection (2):

(3) If, in the opinion of the Board, the location of a well that is equipped with a pumping unit is such that it is or may become a serious hazard to the general public, the Board may require that the well be fenced in accordance with subsection (2).

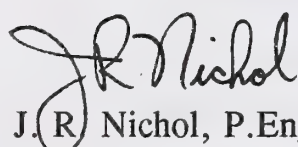
(4) The Board may, on application, exempt the licensee from or vary any of the requirements of this section if, in the opinion of the Board, circumstances warrant the exemption or variation.

7 The attached Schedule 12 is added after Schedule 11.

These amendments will be effective immediately for new facilities. Existing wells which do not conform to these amendments will be required to have proper fencing installed by 1 January 1992.

WELL IDENTIFICATION AND ADMINISTRATION

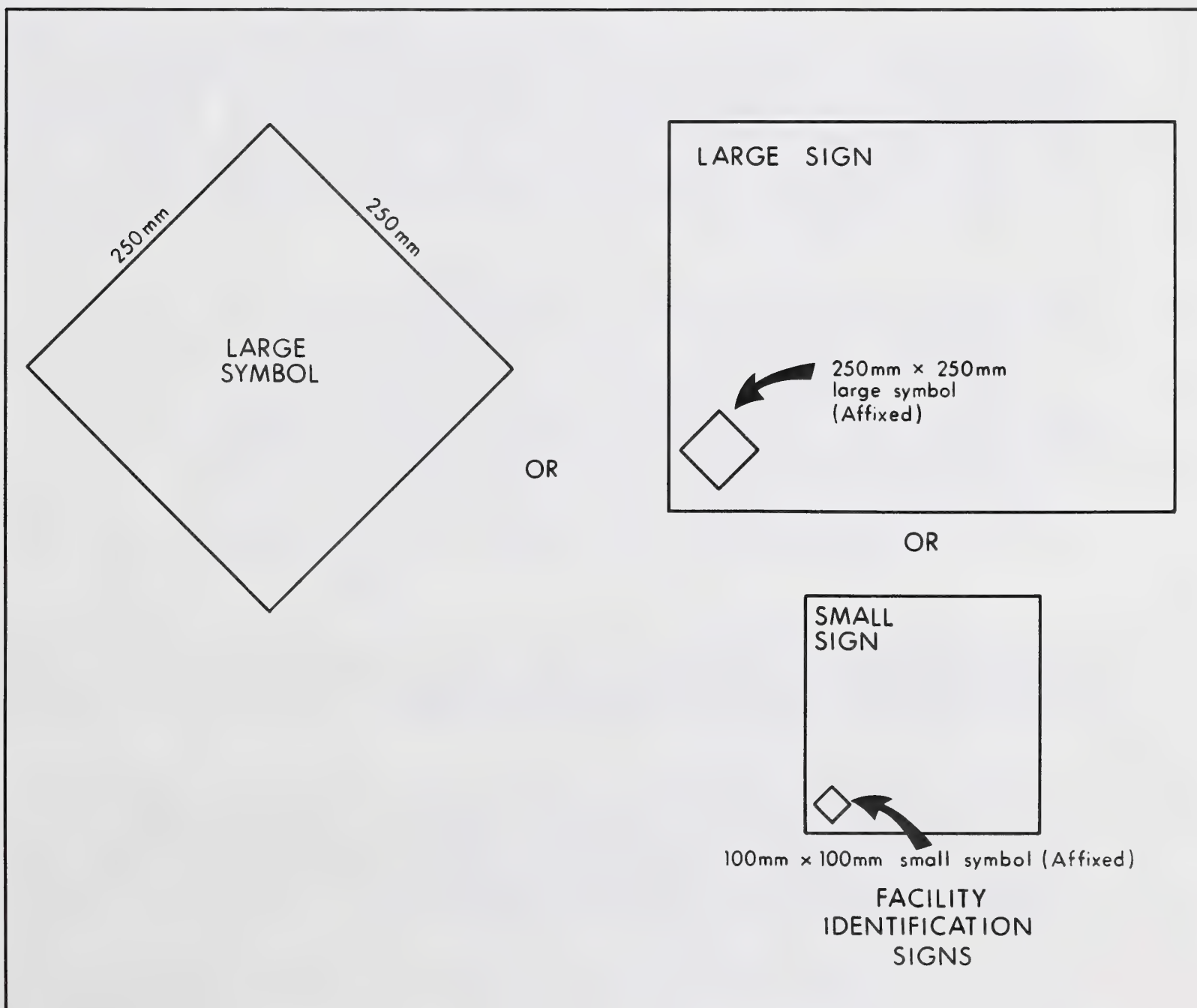
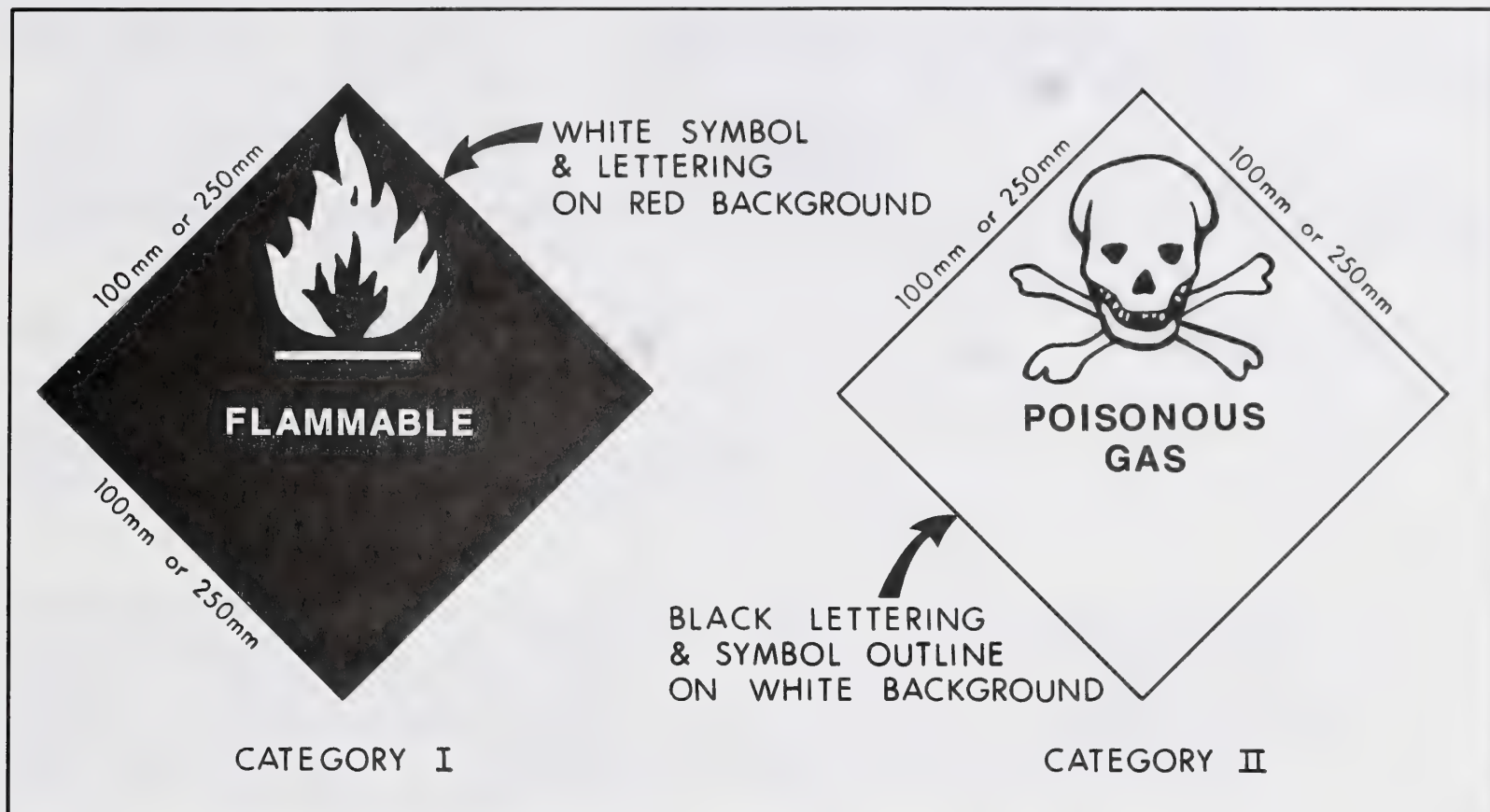
The Board is reviewing its procedures respecting well names and is hoping to simplify the present system. If possible, changes will be announced in the near future.



J. R. Nichol, P.Eng.
Manager

Drilling and Production Department

SCHEDULE 12





Energy Resources
Conservation Board

640 Fifth Avenue SW
Calgary, Alberta
Canada T2P 3G4

NOV 29 1990

Informational Letter

IL 90-20

TO: All Oil, Gas, and Oil Sands Operators

23 November 1990

WELL SITE AND ACCESS ROAD CONSTRUCTION PRIOR TO THE ISSUANCE OF A WELL LICENCE

The Board understands that it has been the practice of industry, in many instances, to commence lease construction upon acquisition of the surface lease and coincidental with the filing of the well licence application. It also understands that timing is a crucial consideration in drilling operations. However, with the current increase in public, landowner, and government concerns respecting environmental impacts from well sites and access roads, the Board expects industry to avoid initiating lease construction before a well licence has been issued.

Since a primary function of the ERCB well licensing process is to ensure that all potential concerns related to the well licence application have been identified and adequately addressed, the Board would encourage industry to obtain the well licence prior to initiating any activities other than the surveying of the well site and access road. The Board will only allow pre-licensing construction of well sites and access roads in cases where it is satisfied that all the appropriate site inspections have been conducted and the appropriate mitigative measures have been incorporated into the design and construction.

The ERCB well licensing process is especially important on freehold surface lands where it is the principal vehicle for dealing with environmental concerns raised by other government departments, local authorities, and special interest groups such as Ducks Unlimited Canada and the Alberta Wilderness Association. As part of its overall well licence application review, the ERCB will occasionally refer applications on freehold surface lands to its field offices and the Land Conservation and Reclamation Council (LCRC) of Alberta Environment for their review prior to licensing. This review usually includes an on-site inspection by ERCB and LCRC field staff to determine if the proposed site will restrict or prohibit sound conservation and reclamation practices and is acceptable from an overall environmental perspective. Special well-site or access road construction or operational measures may be required.

The concerns and requirements identified in this IL do not normally apply to applications on Crown surface lands because of the internal government department mineral surface lease (MSL) reviews that take place. The exception to this is Special Areas (Municipal Affairs) lands which are administered as freehold.

The Board emphasizes the importance of an applicant providing, on the well-site survey, sufficient detail regarding surface topography and surface improvements adjacent to well sites and access roads. Section 2.020, subsections (3) and (3.1) of the Oil and Gas Conservation Regulations outline the minimum information required on a well-site plan. Details which include information on drainage

patterns, valley and coulee breaks, corner elevations, cross-section elevations, beaver dams, muskeg, or wet areas and flood plains are beneficial to ERCB/LCRC staff, and to the industry as well, in providing an opportunity to assess the suitability of a well site or road prior to filing a well licence application. An applicant should also clearly identify in its application any special mitigative measures it proposes to ameliorate the impacts a well site may cause as required by section 2.120 of the Oil and Gas Conservation Regulations.

In cases where an applicant has any doubt with respect to the environmental sensitivity of a site, it is encouraged to initiate a consultation or inspection through the appropriate ERCB area office and with the landowner prior to filing the application for the well licence. This will minimize delays during the processing of the application. To assist in this review process, attached is a list of the basic criteria used by the ERCB Well Licensing staff in assessing the need for referring applications to the ERCB/LCRC field staff.

Any queries with respect to this matter may be directed to the Supervisor of Well Licensing at 297-8554.



E. J. Morin
Board Member

attachment

ATTACHMENT

The following is a listing of the general criteria used by the ERCB Well Licensing Section when referring applications to ERCB/LCRC field staff. NOTE: site-specific circumstances may dictate other considerations additional to those listed here.

1. Construction involving side-hill or top-hill cuts.
2. Construction involving cut and fill.
3. Significant elevation differences across the well site.
4. Locations in sensitive land-use areas such as in or adjacent to urban centres and flood-irrigated land.
5. Sensitive soil conditions such as permeable sand or gravel areas and muskeg that may be inappropriate to use for sump material and are difficult to reclaim.
6. Access road considerations such as
 - roads of considerable length,
 - roads immediately adjacent to valley breaks and river valleys, and
 - significant elevation differences along the road.
7. Construction in or adjacent to dry sloughs, wet areas, rivers, lakes, and valley breaks.
8. Construction of a pad.
9. Significant topographical changes adjacent to well site and access road.
10. Proximity of well site or access road to buildings and other improvements of all kinds.



INFORMATIONAL LETTER IL 90-21

26 November 1990

To: All Operators and Mineral Lease Holders in the Rumsey Area

OIL AND GAS DEVELOPMENT - RUMSEY BLOCK

The Rumsey Block is made up of approximately 50 sections of relatively undisturbed aspen parkland, as shown on the attached map. The rarity of such a large contiguous area of this type of ecosystem led to the development of site-specific guidelines for oil and gas development within the Block which have been in effect since 1982. The guidelines represent a policy established by Forestry, Lands and Wildlife, Recreation and Parks, and the ERCB.

A decision was taken by the above agencies to proceed with the development of a management plan for the area in the form of a Regionally Integrated Decision (RID) early in 1989. The Central Region's Resource Management Committee (RRMC) endorsed the RID approach in November 1989 and initiated the RID Committee in January 1990. The participating team members on the RID committee include representatives from the Department of Forestry, Lands and Wildlife (Public Lands, Fish and Wildlife), and the Departments of Energy, Recreation and Parks, and Culture, along with the ERCB. The consultative team members consist of grazing lessees, industry, municipalities, and the Alberta Wilderness Association (AWA).

The RID timetable projects completion and public review of the draft Management Plan for the area by June 1991.

Application Review Process

Alberta Energy, Alberta Forestry, Lands and Wildlife, and the ERCB are committed to ensure that any new developments within the Block are carried out in an orderly and consistent fashion. In order to do this, and also to provide all stakeholders with an opportunity to learn in advance of any proposed developments, the following principles in reviewing development applications will be followed:

1. Issuance of Mineral Leases

The Department of Energy will

- (a) upon application, grant term extensions to expiring leases, pursuant to section 8(1)(h) of the Mines and Minerals Act, where surface access is denied, and
- (b) not issue any new agreements until the RID has been completed and approved.

2. Issuance of Mineral Surface Leases

The Public Lands Division of Forestry, Lands and Wildlife will

- (a) advise companies requesting Mineral Surface Leases (MSLS) that they must have a well licence granted by the ERCB prior to any access road or lease construction, and
- (b) submit any applications for the upgrading of existing roads or construction of new, permanent access roads within the Block, to the RID committee for comment before processing of such applications.

3. Issuance of Well Licences

The ERCB will advise the RID committee and the AWA of receipt of any applications for well licences within the Rumsey proposed parkland boundary.

This process is being initiated as an interim measure to ensure protection of the Rumsey Block while the RID planning process is under way. It is expected that the RID process will establish a general framework for all forms of land use and development in the Block, including oil and gas, grazing, and recreational uses.

signed by

M. G. Turnbull, Assistant Deputy Minister
Alberta Forestry, Lands and Wildlife
Public Lands Division

and

M. J. Day, Assistant Deputy Minister
Alberta Energy
Mineral Resources Division

and

B. F. Bietz, Board Member
Energy Resources Conservation Board

Attachment: Map: Oil and Gas Development - Rumsey Block

Return to [top of this Informational Letter](#)

Return to [main page for accessing ILs, IDs, and GBs](#)

Links to other pages on our website:

